“Guided by our Edgenta of the Future 2025 (“EoTF2025”) strategy, we made meaningful progress in advancing our global ambitions, diversifying our portfolio, and unlocking new value creation opportunities. At the same time, we took decisive steps to streamline our operations and strengthen our cost structures, ensuring that our growth is both strategic and sustainable.

It is therefore with great pride that I present UEM Edgenta’s Integrated Annual Report 2024.”

TAN SRI DR. AZMIL KHALID
Independent Non-Executive Chairman

Chairman's Statement

NAVIGATING MARKET DYNAMICS

The global economic landscape presented a complex combination of opportunities and challenges in 2024, with modest economic growth impacted by geopolitical tensions, evolving trade dynamics and shifting energy markets.

Ongoing tariff disputes between major economies and rising protectionism created supply chain uncertainties and heightened inflationary pressures. Meanwhile, the rising demand for alternative energy solutions and ongoing global decarbonisation efforts put sustainability and energy efficiency in a growing spotlight.

While the Sales Tax rate is maintained at 6%, the increase of Service Tax from 6% to 8% starting 1 March 2024 has impacted operating costs at multiple levels of the business, with cascading effects that continue to challenge our margins and encourage greater operational efficiency. Restructuring and extending concessions in our Healthcare Solutions and Infrastructure Services divisions required a sharp focus on cost control and profitability management.

Rising raw material and labour costs, along with changes to regulated wage structures in key markets, further contributed to escalating business expenses. Meanwhile, competition within the industry continues to intensify, with clients increasingly demanding greater value at more competitive prices contract awards.

In addition, as we deepen our international footprint, localisation and regulatory requirements necessitate strategic workforce planning, investments in talent development, and close engagement with suppliers and stakeholders. These requirements can also lead to increased operational costs — including compliance-related expenses — while non-compliance may expose the Group to potential fines, penalties, or legal action, underscoring the importance of robust governance and risk management across all markets.

Despite these challenges, UEM Edgenta delivered an exceptional performance. We recorded 5.9% year-on-year revenue growth from RM2.9 billion in FY2023 to RM3.0 billion in FY2024, and a 72% increase in profit after tax and zakat (PAT), to RM51.8 million in FY2024 from RM30.1 million in FY2023.

Revenue Growth:
5.9%
year-on-year

Increase in Profit After Tax and Zakat:
72%
year-on-year

> UEM Edgenta has fully consolidated our acquisition of Kaizen, UAE's premier Property Management Company. This marked a pivotal entry into the Middle East's premium property management sector.

Overall, we recorded a 40% growth in order book wins in FY2024, contributing to a robust year-end total of RM8.7 billion — a testament to our brand leadership and commitment to excellence. New contracts under our international portfolio worth RM2.2 billion represented 79% of our total new orders for FY2024, validating our strategic growth initiatives and positioning us well for long-term success.

In Singapore and Taiwan, we expanded beyond healthcare solutions into integrated facilities management in high-end hospitality, premium office buildings and transport infrastructure. High renewal rates and major contract extensions in these markets reflect our exceptional track record and ability to meet evolving expectations in a competitive landscape.

Our acquisition of Kaizen, UAE's premier property management company, was completed in February 2024. This marked a pivotal entry into the Middle East's premium property management sector, opening new opportunities to scale integrated facilities management and asset lifecycle solutions across the Middle East.

In Saudi Arabia (KSA), we secured our first hospital contract with the state-of-the-art Olayan Long Term Acute Care & Rehabilitation Hospital. Establishing our presence in healthcare facilities management with one of the region's fastest-growing markets effectively positions us to support a sector that is central to the Kingdom's Vision 2030 transformation agenda.

Domestically, we secured new contract wins in major infrastructure projects, reinforcing our leadership in asset management and engineering solutions aligned with Malaysia's national development priorities. Edgenta Healthtronics, a subsidiary of Edgenta Mediserve, has secured a 5-year contract to provide hospital support services at Hospital Cyberjaya.

Our progress in FY2024 was honoured with prestigious industry and market accolades. UEM Edgenta was listed in the Fortune Southeast Asia 500, reaffirming our strong regional growth and financial performance. We were also named among the Top 10 Facilities Management companies in Malaysia, highlighting our reputation for excellence in the domestic market.

Additionally, our conservative balance sheet and healthy liquidity position were recognised through a rating upgrade for UEM Edgenta's RM1 billion Sukuk programme. This upgrade was premised on our strengthened business profile underpinned by geographical earnings diversification.

As a result of this strong performance, UEM Edgenta declared a single-tier interim dividend of 4.0 sen per ordinary share for FY2024, demonstrating our commitment to delivering shareholder value.

EDGENTA OF THE FUTURE 2025

FY2024 marked a significant milestone on our Edgenta of the Future 2025 (EoTF2025) strategy, as we achieved the RM100 million FY2021-FY2025 cost savings target a year ahead of schedule. This outstanding achievement was driven by unrelenting focus on operational excellence, optimising procurement and streamlining our business structures.

Building on this momentum, and continually challenged by persistent inflationary pressures and increased market competition, we have set our sights on an additional RM150 million in cost savings over the next five years to FY2029. This initiative will target key optimisation areas including spend prioritisation, supply chain management and contract negotiations, while we continue to develop and implement process automation technologies to further streamline operations.

Since the RM150 million target was established in early FY2024, we have saved RM41.1 million in costs, highlighting our proactive approach and steadfast commitment to driving long-term resilience and delivering sustainable value to our stakeholders.

Meanwhile, our technology platforms are evolving to complete our business transformation into a Technology-Enabled Solutions Company, meeting the growing demand for smart, efficient and sustainable asset management. Expanding into Smart, Sustainable and Integrated Facilities Management, we have introduced new business pillars to incorporate end-to-end smart and green building solutions. By leveraging Internet-of-Things (IoT) and real-time monitoring technologies, we are optimising energy use, improving asset performance and enhancing sustainability. Our digital transformation initiatives were recognised with the Malaysia Technology Excellence Award (Facilities Management Technology – Building Services & Facilities) and the CIO100 ASEAN Award, reinforcing our role as a leader in sustainable infrastructure solutions.

> "Edgenta's technology platforms are advancing, driving its transformation into a Technology-Enabled Solutions Company."

Edgenta achieved its

RM100 MILLION

cost savings target (FY2021-FY2025) a year ahead of schedule.

> "Secured our first green financing facility of RM75 million to finance capital expenditure and operational costs related to our Zero Capex programme."

CHAMPIONING ESG

Our ESG initiatives are not only our priority as a model of corporate responsibility — they are key enablers of strategic growth, performance enhancement and long-term value creation. Guided by our Sustainability Framework, we continued to make progress towards our Net Zero targets, embed sustainable practices throughout our organisation and support our clients in their sustainability journeys.

We successfully completed our two-year sustainability roadmap spanning FY2022-FY2024, achieving a 4.72% reduction in Scope 1 and Scope 2 emissions through efficient fleet management strategies, energy efficiency initiatives and a structured approach to carbon management. Recognising that supply chain emissions represent a large proportion of our environmental footprint, we took steps to engage with our suppliers to assess our Scope 3 emission in our value chain. To this end, we ran a pilot exercise with selected key suppliers to gain critical insights into upstream and downstream emissions.

Chairman's Statement

In 2024, we have saved RM41.1 million in costs, highlighting our proactive approach and steadfast commitment to driving long-term resilience and delivering sustainable value to our stakeholders.

The output from this exercise will be a key component in developing our detailed Scope 3 emissions inventory and a corresponding supply chain engagement plan to support the development of targeted reduction strategies across our ecosystem. Once quantified, we will commence integrating Scope 3 emissions into our Net Zero Target.

I am further pleased to note that we made significant strides in the Social and Governance spectrum of our ESG framework. Through targeted initiatives focusing on well-being, disease prevention, and road safety, we successfully enhanced employee health and safety in 2024, with 92.25% of our employees completing key training programmes in these health and safety areas. I am also pleased to announce that 100% of our operations have achieved ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 certifications. In the governance space, we updated our Enterprise Risk Framework to enhance the Board of Directors' roles in overseeing ESG matters of the Group including climate risk. Acknowledging the importance of health and safety of our workers, contractors and users of assets we maintain, we took the progressive step to add one of our key material matters, Occupational Health and Safety into the current focus areas that we prioritise. With this inclusion, we now will be prioritising 5 areas our material matters namely Climate Change and Energy, Environmental Management, Human Rights, Supply Chain and Occupational Health and Safety. While we will focus on these matters, we will continue to address the rest of our material matters to drive strategic growth, champion innovation, improve customer satisfaction, empower our communities and do business in an ethical manner.

Building on the momentum delivered by our maiden roadmap, 2024 saw us launching our ESG Roadmap 2.0 a 2 year blueprint that will guide us in the next phase of our sustainability pathway. This comprehensive roadmap contains actions to implement the upcoming National Sustainability Reporting Framework, build a resilient supply chain ecosystem, uphold human rights, strengthen our safety standards and enhance our sustainability culture.

The Zero Capex Programme led by OPUS Energy continues to deliver positive financial and operational impact for our clients. Since its launch, more than 25% of the capital allocated has been utilised to energy efficiency projects. A notable achievement in FY2024 was securing our first green financing facility of RM75 million to finance capital expenditure and operational costs related to our Zero Capex programme. This facility will supplement the capital required to enable the roll-out of RM200 million programme to help our clients transition to a low-carbon economy.

In line with our commitment to promoting a circular economy and resource efficiency, we commercialised our Recycled Asphalt Pavement (RAP) Plant in Tapah, Malaysia. By repurposing road milling waste into eco-friendly road paving materials, this initiative supports sustainable infrastructure development while minimising waste and consumption — and demonstrates that circular economy initiatives can generate both business and environmental benefits.

We also formalised several strategic partnerships to advance sustainability initiatives and energy transition solutions. These included a Memorandum of Business Exploration (MOBE) with Iskandar Investment Berhad (IIB) to support the development of energy-efficient and environmentally conscious urban planning in Johor, and a long-term Energy Performance Contract (EPC) with Boustead DPC Sdn Bhd targeting energy reductions and cost savings. Our collaboration with Yinson Greentech strengthens our commitment to sustainable mobility as we accelerate the adoption of electric vehicles (EVs) in our fleet.

Moving forward, we will continue to enhance our sustainability reporting policies and supplier engagement practices while leveraging our technology solutions to achieve greater reductions in energy consumption and operational costs for ourselves and our clients.

ENHANCING EMPLOYEE ENGAGEMENT

Our diverse workforce is the engine behind our operational excellence and business expansion. Recognising the vital role of an engaged and motivated workforce in strengthening our position in a competitive landscape, we continued to enhance talent development and well-being programmes in FY2024 to foster a high-performance culture.

In response to the Employee Engagement Survey conducted in FY2023, we introduced a more structured approach to townhall meetings with a standardised communications plan and supporting materials to ensure clarity and alignment at all levels of the organisation. At the divisional and departmental levels, workshops and focus group sessions have created more informal spaces for employees to share feedback and build stronger connections.

In May 2024, we launched the "Leadership Connect: One Voice, One Purpose" series, which brought senior leaders together with employees across our business entities through townhall sessions. Designed to foster transparency and share strategic priorities, these engagements strengthened our collective vision

SUPPORTING OUR COMMUNITIES

Education, Community Enrichment and Well-Being are three foundational pillars of our social impact strategy. In FY2024, we continued to uplift communities with targeted and meaningful initiatives to promote social inclusion, cultural appreciation and community development:

- **Jalinan Kasih Edgenta Programme:** Celebrated major festivals (Chinese New Year, Ramadan, Hari Raya Aidilfitri, Deepavali, and Christmas) with local communities, reaching thousands of individuals through educational outings, festive meals, financial aid, and essential supplies.
- **Edgenta Riang Ria Back-to-School Initiative:** Supported 180 Asnaf children with school uniforms and essential items.
- **Lost Food Project – Pet Food Rescue Initiative:** Rescued 12,724kg of pet food, preventing 57,000kg of CO_2 emissions and supporting 50 animal shelters.
- **Tree Planting:** Participated in the #OneMillionTreesSG environmental restoration initiative in Singapore, organised a Mangrove Planting event in Selangor, and planted 100 vulnerable tree species in collaboration with University Putra Malaysia (UPM).
- **Recycling & Waste Management:** Collected 2,700kg of recyclables from 3,000 road users along the North-South Expressway and diverted approximately 40% of hospital waste under our portfolio from landfill.

while providing employees with direct access to leadership. The introduction of monthly "Edgenta Tuesdays" has promoted interdepartmental collaboration and connectivity through themed events at Menara UEM. In total, over 100 engagement initiatives took place throughout the company in FY2024, from Sports Days to festive gatherings and monthly meetings.

We remain committed to nurturing talent and empowering our people to build a resilient and future-ready team. Our initiatives in leadership development and talent retention were supported by a RM7.7 million investment in training, which delivered 332,644 training hours — a 10% increase from FY2023. A new programme, "People Managers Essentials", has been introduced to enhance people management skills of our line managers, while our performance management framework now has additional feedback mechanisms to improve reviews and career planning.

In parallel, we firmly believe that happy and healthy employees are the foundation of long-term success. In FY2024, our healthcare awareness initiatives, covering topics from non-communicable diseases to commuter safety, benefited 8,718 employees, registering an 80% increase in participation compared to FY2023. Mental health support and work-life balance remain a priority. By offering personalised support through the Edgenta Assistance Program (EAP) and welfare support through the Edgenta Care Society, our goal is to create an environment where our employees can thrive professionally and personally.

ENSURING GOOD GOVERNANCE

Integrity, ethical conduct, and strong governance are the cornerstones of UEM Edgenta's corporate ethos and strategic direction. In FY2024, we remained steadfast in strengthening our governance framework and enhancing risk management practices to uphold the highest standards of transparency and compliance. The refinement of the Terms of Reference for the Risk, Integrity and Compliance Committee alongside the enhancement of our Business Continuity Management Framework, underscores our unwavering commitment to robust oversight and operational resilience.

Our dedication to accountability was recognised at the Integrity, Governance, and Anti-Corruption Awards (AIGA) 2024, where UEM Edgenta was honoured with the Bronze Award by the Malaysian Institute of Integrity (IIM). This accolade, alongside our ISO37001 Anti-Bribery Management System (ABMS) certification from SIRIM, reaffirms our zero-tolerance stance on corruption and underscores our leadership in ethical business practices across both public and private sectors.

> "Honoured with the Bronze Award by the Malaysian Institute of Integrity (IIM) at the Integrity, Governance, and Anti-Corruption Awards (AIGA) 2024."

Chairman's Statement

Beyond governance, we recognise that a diverse and inclusive workplace is a key driver of long-term business performance. In FY2024, we introduced and strengthened internal policies, including our Gender Diversity Policy and Diversity, Equity & Inclusion (DEI) Statement, reinforcing our commitment to a workplace culture that values equity and respect. To embed these principles, we conducted Human Rights Awareness sessions across all our operating regions in Malaysia. Our commitment to fostering an inclusive and progressive corporate environment was further validated when we received the Gold Award in the DEI Category at The Star ESG Positive Impact Awards.

As we chart our path forward, we remain unwavering in our mission to uphold the highest standards of governance, integrity, and sustainability — ensuring that UEM Edgenta continues to lead with excellence, accountability, and purpose in an evolving global landscape.

LOOKING AHEAD

As we turn our sights to FY2025, we are committed to operational excellence and technology-enabled business transformation to strengthen our culture of innovation and support our sustainable growth strategies.

We take a cautiously optimistic view of the year ahead, recognising the challenges posed by ongoing geopolitical conflicts and their resulting effects on trade and bond markets across the world. We expect the cost of doing business to continue to rise as a result of domestic and foreign policies, including the removal of the petrol subsidy in Malaysia and business compliance costs in different regions that we operate in.

Nevertheless, we remain confident in our core strengths and strategic foresight in navigating this complex environment. We will continue to sharpen our focus on cost management by optimising procurement, enhancing our service delivery and remodelling our business processes to ensure that our operations remain agile, efficient and resilient.

In turn, strengthening our cost structures will support our expansion in emerging growth markets. We will continue to pursue revenue diversification in established markets such as Singapore and Taiwan as well as emerging opportunities in UAE and Saudi Arabia, particularly in real estate and healthcare.

At the same time, our commitment to ESG leadership remains unwavering. We will continue to enhance our procurement practices and reporting frameworks as we integrate ESG considerations into a wider scope of our operations and advance our Net Zero goals in line with regulatory requirements and stakeholder expectations. Through circular economy practices, sustainable waste management and community engagement initiatives, we remain dedicated to creating positive social and environmental impact.

At the forefront of our strategic vision is delivering improved returns to our shareholders. Our disciplined approach to capital allocation and strategic cost management underpins a customer-centric, technology-driven approach that meets evolving market needs and creates long-term value.

ACKNOWLEDGEMENTS

Reflecting on our progress in FY2024 and how it positions us for 2025 and beyond, I am sincerely grateful for the unwavering support of all our key stakeholders. I extend my deepest thanks to our shareholders, partners, clients, employees and communities for your continued trust and commitment. To our management team and Edgenta Stars, your dedication and commitment to excellence ensures that we can achieve remarkable success and create meaningful value even in a challenging environment.

I bid a special farewell to Dato' Mohd Izani Ghani who departed in July 2024 after five years of dedicated service. In his stead, I warmly welcome Datuk Amran Hafiz Affifudin and his significant experience and expertise.

As we look to the future, I am confident that our collective efforts will continue to drive even greater success. With a prudent approach to new market expansion and a relentless focus on operational and resource optimisation, UEM Edgenta will continue to pursue sustainable growth and create meaningful, lasting value for our stakeholders, customers and communities across the world.

TAN SRI DR. AZMIL KHALID
Independent Non-Executive Chairman